

10-16-03

MAURICE D UPSHAW  
1633 sutter ave  
Cincinnati, OHIO 45225

I would like  
to appear in court to hear  
the concerns of the settlement  
on behalf of Karen N. Miller  
And Defendant CCC whom I  
made payments through to  
creditors.

Maurice Upshaw

SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

KAREN N. MILLER, et al.

Plaintiffs,

v.  
CREDIT COUNSELORS  
OF CINCINNATI

Defendant.

FILED  
KENNETH J. MURPHY  
Case No. C-00-403  
CLERK

OCT 20 PM 1:47  
S.D. OHIO

U.S. DISTRICT COURT  
SOUTHERN DIST. OHIO  
WEST DIV CINCINNATI

#### NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

**TO: ALL PERSONS WHO SIGNED DEBT MANAGEMENT AGREEMENTS WITH CREDIT COUNSELORS OF CINCINNATI OR CREDIT COUNSELORS CORPORATION ("CCC") FROM MAY 17, 1995, TO JUNE 30, 2001, AND MADE PAYMENTS TO CCC FOR CREDIT-RELATED SERVICES**

PLEASE READ THIS NOTICE CAREFULLY. IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS LITIGATION.

Pursuant to an Order of the United States District Court for the Southern District of Ohio, and in accordance with Rule 23(e) of the Federal Rules of Civil Procedure, you are hereby notified of the certification of a class action of which you are a member, and of the preliminary approval of a proposed settlement in the case known as *Miller v. Credit Counselors of Cincinnati* ("CCC"), Case No. C-1-00-403, United States District Court for the Southern District of Ohio, Western Division (the "Lawsuit"). A Fairness Hearing concerning the settlement will be held on October 24, 2003, at 10:00 a.m. in Room 836 of the United States Courthouse, 100 East Fifth Street, Cincinnati, Ohio, 45202. You have the right to appear and comment at this hearing, or to appear and comment by writing, on the fairness, adequacy, and reasonableness of the settlement.

#### BACKGROUND

On May 17, 2000, Plaintiffs, Karen N. Miller and Arthur Kroener, filed a Class Action Complaint against CCC, alleging that CCC violated the federal Credit Repair Organizations Act, 15 U.S.C. §§ 1679 *et seq.*, and the Ohio Credit Services Organization Act, Ohio Rev. Code §§ 4712.02 *et seq.*, and that class treatment was the preferable means of pursuing damages for themselves and all class members. By orders dated June 5, 2001, and July 8, 2002, the Court held in favor of Plaintiffs and against CCC, and certified the case as a class action. Plaintiffs and CCC have now agreed that a Settlement providing for the payment of certain funds to Class Members is preferable to the time and expense which would be necessary to continue this litigation.

#### CERTIFICATION OF A CLASS ACTION AND PRELIMINARY APPROVAL OF SETTLEMENT

By Order entered July 8, 2002, the United States District Court for the Southern District of Ohio, Western Division, certified a class action on behalf of a class consisting of all persons who paid money to CCC for credit-related services during the relevant time period. The Representative Plaintiffs and Class Counsel have determined that, rather than continue this litigation, it is in the best interest of Class Members to enter into an agreement whereby each class member who fills in a Proof of Claim and returns it pursuant to the instructions in that Proof of Claim shall receive a payment in accordance with the terms of the Settlement. CCC has determined that settling this case is preferable to continued litigation. Should the Court grant final approval of the proposed settlement, all members who do not opt out and exclude themselves from the Class, as described below, will be bound by the settlement and all other orders and judgments entered by the Court.

#### SUMMARY OF THE SETTLEMENT TERMS

The terms and conditions of the proposed settlement are contained in the Agreement of Settlement and Compromise between CCC and the Representative Plaintiffs (the "Settlement Agreement"), filed with the Court on March 6, 2003. This Notice is intended as a summary only. You may obtain a copy of the entire Settlement Agreement by contacting the Clerk, U.S. Courthouse, 100 East Fifth Street, Cincinnati, Ohio, 45202. To resolve this litigation CCC has undertaken to create a Fund in the amount of \$265,000 to cover payments to the Class Members, attorney fees, costs of litigation and class notice, and an incentive award for the two Class Representatives. Persons who file a proper Proof of Claim (attached to this Notice) shall be entitled to a pro rata share of this Fund after the deductions set forth in this paragraph. Only those persons who fill in the Proof of Claim and mail it by September 29, 2003, will be eligible to receive payment. The Proof of Claim is attached to this Notice.

#### RECOMMENDATION OF COUNSEL

Counsel for the Settlement Class will recommend approval by the Court of the Settlement Agreement as fair and reasonable and as necessary to protect the best interests of the class members on the grounds that, among other things, (1) continued prosecution of the lawsuit, or the prosecution of individual suits against CCC, through trial and any necessary appeals, will require considerable expense and time and will be accompanied by a degree of risk and uncertain prospects for recovery; and (2) settlement of the claims in the lawsuit against CCC pursuant to the terms and conditions of the Settlement Agreement will be more beneficial to the class members than continued litigation, as the ability of CCC to pay a final judgment will diminish with time. CCC has agreed to the terms in the Settlement Agreement in order to avoid further expense, inconvenience, and the distraction of protracted litigation.